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ABSTRACT

The passage of Proposition 13 in California has focused attention upon the possibility of requiring students to pay for a larger portion of the costs of their education through increased student fees and the imposition of resident tuition. Currently, a number of fees are authorized by the Education Code which result in an annual income slightly under $2 million; these include nonresident tuition, library fines, and fees for instructional materials, facilities, student parking, transcripts, late applications, and health services. Legal action would be required to alter California community college's traditional tuition-free status to permit either semester or quarter rates for full-time students plus a credit hour rate for part-time students, or uniform credit hour rates for all students. Although the impact of tuition in either form is hard to foresee since studies present conflicting results, certain assumptions can be made: tuition would have an effect on the traditional open-door policy with regard to the financially disadvantaged student; since financial aid is available from federal and state sources, financial aid programs would become more active; imposition of tuition may help community colleges retain freedom of action and local control; the added income from tuition must be balanced against costs for processing it; and enrollment decreases would be unavoidable. (MB)

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LOS ANGELES COMMUNITY COLLEGE DISTRICT

BACKGROUND REPORT

ON

STUDENT FEES AND TUITION

IN THE

CALIFORNIA COMMUNITY COLLEGES

October 25, 1978

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INTRODUCTION

> It has long been a philosophical position of those connected with the community college movement that tuition should be either very low or non-existent, in order to encourage access by those who have found access to traditional institutions difficult. ...this position has apparently not made much of an impact upon legislatures for, except in California, there are tuition charges in all states, and the income from tuition is at least as great a percentage of the budget for public community colleges as it is for public four-year institutions (Garms, 1977, p. 78).

The financing of public community colleges in California has become a severe problem because of the reduction in local property taxes, brought about by the passage of Proposition 13. Although Senate Bill 154 and other legislation have provided temporary relief, a long-term solution to the financing issue must be sought. This has focused attention on the possibility of requiring students to pay for a larger portion of the costs of their education through increased student fees and the imposition of resident tuition.

This report describes those fees that are currently authorized under the Education Code, discusses the issue of tuition in community colleges from a national and statewide perspective, and attempts to anticipate the effects that resident tuition might have on the enrollment, student retention, and revenues of California community colleges and of the Los Angeles Community College District.

The report is intended to provide background information and is the first in a series of studies that will be developed concerning the issue of student fees and tuition in the California Community Colleges and the Los Angeles Community College District.

CURRENTLY AUTHORIZED STUDENT FEES

There are several fees which, under the Education Code, a California community college district may levy to defray the cost of instructional services. Many of these fees are currently charged to students enrolled in the Los Angeles Community Colleges. It is estimated that the current annual income to the Los Angeles district from these charges is slightly under $2,000,000.

Nonresident Tuition

Education Code Section 76140 permits a California community college district to admit non-resident students and requires that they be charged a fee. A district may exempt from the fee students enrolled in six units or less and/or students who are citizens and residents of a foreign country. Exemptions must be made on a class basis rather than an individual basis. The 1978-79 non-resident tuition fee of $60 per unit charged by the Los Angeles District is at the maximum level which is allowed by the formula established in the Education Code.

Instructional Material Fees

By authority of Education Code Section 78930, a community college district may charge students for instructional materials. These materials may include textbooks, tests, and other educational materials, and may also include a pro-rata portion of related overhead costs.

Facilities Fees

Education Code Section 72245 permits a district governing board to charge participating students for additional expenses of non-district physical education facilities required for courses.

Student Parking Fees

Education Code Section 72247 authorizes a district governing board to charge parking fees of students not to exceed $20 per semester or $40 per regular year, provided that the income received be expended for parking and transportation programs aimed at reducing parking demand.

Library Fines

Education Code Section 72237 authorizes the District to withhold grades, transcripts, diplomas, and registration privileges from students who owe fines for overdue books or replacement costs for lost books. Current library fines charged throughout the Los Angeles District average 5¢ per day for circulating books and 25¢ per day for reserve books, with limits of $3.00 and $5.00 respectively.

Transcript Fees

Education Code Section 76223 authorizes a district governing board to charge the actual cost of furnishing copies of student records providing that no charge is assessed for the first two transcripts and/or verification of other student records. No charge may be made to search for or to retrieve any student record.

Late Application Fees

Education Code Section 72251 permits a district governing board to charge up to two dollars ($2) for admission or readmission applications submitted after the filing date established by the district.

Health Services Fees

Education Code Section 72244 permits the establishment of student health centers for diagnosis and treatment. Section 72246 authorizes the charging of a fee not to exceed $10 per student per year for medical services.

The fee must be pro-rated for part-time and summer school students and certain athletic expenses may not be paid for from the proceeds of this fee. Low-income students are either exempted from these fees, or other sources may be found to pay for them.

A summary table of all the currently authorized student fees appears on the following page.

CURRENTLY AUTHORIZED STUDENT FEES

SUMMARY

Fee	Education Code Section Number	Service
Non-resident Tuition	76140	Permits a California community college to admit non-resident students and requires that they be charged a current fee of $60/unit
Instructional Materials	78930	A community college district may charge for textbooks, tests, and educational materials
Facilities	72245	Permits a district governing board to charge for the cost of non-district physical education facilities required for courses
Student Parking	72247	Authorizes a district governing board to charge parking fees of students not to exceed $20/semester or $40/year
Library Fines	72237	Authorizes a district to withhold grades, transcripts, diplomas, and registration privileges from students who owe fines for overdue books or replacement of lost books
Transcripts	76223	Authorizes charge for the actual cost of furnishing copies of student records after first two copies
Late Applications	72251	Permits charge up to $2.00 for admission or readmission applications submitted after the filing date established by the district
Health Services	72244 72246	Permits the establishment of student health centers for diagnosis and treatment. Authorizes the charging of a fee not to exceed $10 per student per year for medical services

THE ISSUE OF TUITION IN CALIFORNIA COMMUNITY COLLEGES

Background

California community colleges have enjoyed tuition-free status since their inception in 1910. The philosophy underlying this status was articulated in a 1941 publication of the AACJC: "...nominal or free tuition (is) necessary if the two-year colleges are truly to be democratized and made available to people at all levels" (Lombardi, 1976, p. 8).

Despite the widely held philosophy stated above, fiscal constraints have gradually led community colleges nationwide to impose tuition and fees. The American Council on Education noted in 1952 that "contrary to the stated philosophy of many public community colleges that they seek to bring free or practically free education to their clientele, common practice is to charge tuition or general fees." By 1975 it was estimated that the average tuition was about $300 per academic year. It is predicted that by 1980 tuition will average at least $400.

Lombardi (1976) states that the most common patterns of tuition are (a) semester or quarter rates for full-time students plus a credit hour rate for part-time students, and (b) uniform credit hour rates for all students. Several state committees and commissions have argued against the first approach on the basis that it discriminates against part-time students who choose to combine education with other experiences such as work or travel.

Although California is the only remaining state with tuition-free community colleges, even here fiscal limitations have caused departures from the "official" philosophy. While the State Legislature has never imposed tuition for resident students, it has nevertheless authorized the student fees which were discussed earlier. In addition to these fees, there is

currently limited legal authority for charging student tuition in California community colleges. Under Education Code Section 76140, tuition may be imposed only on non-California residents.

Legislative action would be required to extend tuition fees to other classes of students, and the State Legislature would need to enact such legislation well in advance of the academic year, in order to allow districts enough time to implement any mandated tuition charges.

Possible Impact of Tuition

The imposition of tuition in California community colleges would most probably affect several aspects of the colleges' operations. The impact of tuition on enrollment has been studied by agencies such as the National Commission on the Financing of Postsecondary Education. These studies have tended to produce mixed results. The contradictory findings are clearly due to the influence of outside factors such as students' employment situations, the availability of student financial aid, and the presence or absence of a military draft. Unfortunately, there is not a precedent in California that sheds light on the situation. In the Los Angeles District, the $3 per unit fee which was imposed in 1970-71 on defined adults enrolled in evening classes appeared to have no effect on enrollment at all, because exemptions from the fee were so easily obtained by students on the basis of claimed financial need. (The category of defined adult has since been dropped.)

The ultimate effect that tuition would have upon total enrollment is uncertain. The studies reviewed by the National Commission on the Financing of Postsecondary Education (1973) indicated that the amount of change in

enrollment caused by a change in tuition "probably varies from one to three percent for every $100 change in tuition," depending on various factors. If it were assumed that in California there would be as much as a 4% decline brought about by the imposition of each $100 per year resident tuition, then a $5 per unit charge would result in the loss of 50,000 or more students across the state.

Of course, there is a tuition level at which the expected enrollment declines would simply break down, since beyond a certain point community colleges will become overpriced in relation to competing educational systems such as the California State Universities and Colleges. Currently, student fees for full-time students are $170-223 per year at California State Universities and Colleges and $695-763 per year at the University of California. Tuition charges at private institutions of higher education in the state are typically above $1500 per year and do not appear to pose a competitive threat to any possible community college tuition.

Student financial aids would have an increasingly important role in the event resident tuition is imposed in public community colleges. Currently, students attending community colleges in the state are eligible for several types of aid from programs at both the federal and state level. While tuition would obviously create a greater financial burden for students, current financial aid criteria for federal programs would help needy students compensate for the increased costs. For example, the Basic Educational Opportunity Grant (BEOG), the largest educational grant program in the nation, assesses student financial need in part on the cost of attending the institution. Eligibility for the grant is determined by the Department of Health, Education and Welfare and not by the college. Eligible students take their grants to the schools of their choice. The BEOG

will pay up to half of the computed educational costs. Thus, if the cost of attending the institution increases, so does the grant.

Other federal aid programs such as the Supplemental Educational Opportunity Grant and the National Direct Student Loan also determine eligibility on the basis of computed financial need. As with the Basic Grant, needy students would be allocated greater stipends if there were an increased cost of education. State financial aid programs (such as Extended Opportunities Program and Services) would probably not increase aid to students, since these programs may face constraints similar to those now confronting community colleges.

Another factor affecting the tuition-enrollment relationship is the controversial claim by some that, as students pay for their education, they come to appreciate it more. Following this logic, once students have paid their tuition they should be more motivated to stay in school. However, the validity of this position in basically unproven.

Another important factor upon which tuition will impact is the total income of college districts. It is anticipated that a tuition charge of $5 per unit or $60 for full time students would result in an increase of approximately $8 million per year to the Los Angeles Community College District, a small fraction of the 1978-79 total operating budget of about $175 million. It should be noted, however, that this estimate is based on many unknown factors, such as general economic trends and enrollment fluctuations.

Any revenue estimates concerning the imposition of tuition must take into consideration projected costs as well an anticipated income. While it is difficult to do this with any great precision, it must be recognized that to collect a tuition charge for each student during registration

funding of these federal programs at high levels appears to be secure. The state programs, however, may be facing some fiscal constraints. With tuition, financial aid programs would become more active and require increased staff and technical support, but it is estimated that the added cost would be minimal.

It is also suggested that the imposition of tuition may be one step the community colleges can take to help retain their freedom of action and local control. Walter Garms argues that the way for a public institution to do this is to have as many sources of money as possible. Following this argument, the imposition of tuition would add another element to the financial base--and possibly make the institution less reliant on the three existing public sources of funding.

The overall impact of tuition on the total financial picture would probably be relatively minor. Lombardi has indicated that tuition and fees in the nation's community colleges account for 15-20 percent of their total income. The national average tuition charged by community colleges is just under $350 annually, and this must be considered a prohibitive sum for California in view of the fact that the state colleges and universities currently charge $170-223 yearly. A more moderate figure such as $5 per unit would supply less than 5 percent of the total institutional income.

One of tuition's most important consequences would be its impact on enrollment. After experiencing many years of growth, community colleges have now entered into a period of stabilizing enrollments. Any tuition charges levied must be done with the caveat that greater fees would probably mean larger total enrollment decreases. Enrollment decreases could have an impact upon staffing patterns, so that tuition would most likely affect not only students but faculty and support staff as well.

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